Kyl	Oxley	Shaw
Lagomarsino	Packard	Shays
Leach	Panetta	Skeen
Lewis (CA)	Parker	Smith (OR)
Lewis (FL)	Paxon	Smith (TX)
Lightfoot	Penny	Stark
Livingston	Petri	Stearns
Lloyd	Pickle	Stenholm
Marlenee	Porter	Stump
McCollum	Quillen	Taylor (NC)
McHugh	Ramstad	Thomas (CA)
McMillan (NC)	Ravenel	Thomas (WY)
Miller (CA)	Rhodes	Vander Jagt
Miller (WA)	Riggs	Vucanovich
Molinari	Roberts	Weber
Montgomery	Rohrabacher	Wyden
Moorhead	Roth	Young (AK)
Morella	Schaefer	Zeliff
Nichols	Schiff	Zimmer
Nussle	Schumer	
Orton	Sensenbrenner	

NOT VOTING—49

Ackerman	Early	Morrison
Alexander	Eckart	Mrazek
Atkins	Edwards (OK)	Myers
Bacchus	Ford (TN)	Oakar
Boxer	Gaydos	Owens (UT)
Broomfield	Guarini	Pelosi
Brown	Hatcher	Scheuer
Bruce	Hefley	Schroeder
Byron	Huckaby	Schulze
Campbell (CO)	Hyde	Smith (IA)
Chapman	Jacobs	Solarz
Clement	Lehman (FL)	Stokes
Collins (MI)	Levine (CA)	Towns
Conyers	Lowery (CA)	Traxler
Dickinson	Mavroules	Yatron
Donnelly	McCrery	
Dwyer	Michel	

So the bill was passed.

A motion to reconsider the vote whereby said bill was passed was, by unanimous consent, laid on the table.

Ordered, That the Clerk request the concurrence of the Senate in said bill.

¶94.11 MOTION TO INSTRUCT CONFEREES—S. 12

Mr. LENT submitted the motion that the managers on the part of the House at the conference with the Senate on the disagreeing votes of the two Houses on the House amendments to the bill of the Senate (S. 12) to amend title VI of the Communications Act of 1934 to ensure carriage on cable television of local news and other programming and to restore the right of local regulatory authorities to regulate cable television rates, and for other purposes, be instructed to maintain the protections and remedies provided in section 20 of the House amendment against theft of cable service.

After debate,

On motion of Mr. LENT, the previous question was ordered on the motion to instruct the managers on the part of the House.

The question being put, viva voce,

Will the House agree to said motion?

The SPEAKER announced that the yeas had it.

So the motion to instruct the managers on the part of the House was agreed to.

A motion to reconsider the vote whereby said motion was agreed to was, by unanimous consent, laid on the table.

¶94.12 APPOINTMENT OF CONFEREES—S. 12

The SPEAKER announced the appointment of the following Members as managers on the part of the House at the conference with the Senate on the disagreeing votes of the two Houses on the House amendments to S. 12: Messrs. DINGELL, MARKEY, TAUZIN, ECKART, MANTON, HALL of Texas, HARRIS, LENT, RINALDO, BILIRAKIS, and FIELDS, provided that Mr. RITTER is appointed in place of Mr. FIELDS for consideration of so much of section 16 of the Senate bill as would add a new section 614(g) to the Communications Act of 1934 and so much of section 5 of the House amendment as would add a new section 614(f) to the Communications Act of 1934.

By unanimous consent, the Speaker reserved the authority to make supplemental appointments of conferees, including the naming of additional conferees from the Committee on the Judiciary.

Ordered, That the Clerk notify the Senate of the foregoing appointments.

¶94.13 RECOMMITAL OF H.R. 5231

On motion of Mr. VALENTINE, by unanimous consent, the bill (H.R. 5231) to amend the Stevenson-Wydler Technology Innovation Act of 1980 to enhance manufacturing technology development and transfer, to authorize appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes, having been reported on July 22, 1992, from the Committee on Science, Space, and Technology, was recommitted to said committee.

¶94.14 SMALL BUSINESS EQUITY ENHANCEMENT

The SPEAKER pro tempore, Mr. DE LA GARZA, pursuant to House Resolution 531 and rule XXIII, declared the House resolved into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 5191) to encourage private concerns to provide equity capital to small business concerns, and for other purposes.

The SPEAKER pro tempore, Mr. DE LA GARZA, by unanimous consent, designated Mr. OBEY as Chairman of the Committee of the Whole; and after some time spent therein,

The SPEAKER pro tempore, Mr. MAZZOLI, assumed the Chair.

When Mr. OBEY, Chairman, pursuant to House Resolution 531, reported the bill back to the House with an amendment adopted by the Committee.

The previous question having been ordered by said resolution.

The following amendment, reported from the Committee of the Whole House on the state of the Union, was agreed to:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Small Business Equity Enhancement Act of 1992''.

SEC. 2. LEVERAGE (MATCHING FUNDS) FORMULA.

(a) NEW FORMULA.—Section 303 of the Small Business Investment Act of 1958 (15 U.S.C. 683) is amended—

(1) by inserting after the word ''debentures'' in the first and sixth sentences of subsection (b) the following: ''or participating securities'';

(2) by striking paragraphs (1) through (3) of subsection (b) and inserting in lieu thereof the following:

''(1) The total amount of debentures and participating securities that may be guaranteed by the Administration and outstanding from a company licensed under section 301(c) of this Act shall not exceed 300 per centum of the private capital of such company: *Provided,* That nothing in this paragraph shall require any such company that on March 31, 1993, has outstanding debentures in excess of 300 per centum of its private capital to prepay such excess: *And provided further,* That any such company may apply for an additional debenture guarantee or participating security guarantee with the proceeds to be used solely to pay the amount due on such maturing debenture, but the maturity of the new debenture or security shall be not later than September 30, 2002.

''(2) After March 31, 1993, the maximum amount of outstanding leverage made available to a company licensed under section 301(c) of this Act shall be determined by the amount of such company's private capital—

''(A) if the company has private capital of not more than $15,000,000, the total amount of leverage shall not exceed 300 per centum of private capital;

''(B) if the company has private capital of more than $15,000,000 but not more than $30,000,000, the total amount of leverage shall not exceed $45,000,000 plus 200 per centum of the amount of private capital over $15,000,000; and

''(C) if the company has private capital of more than $30,000,000, the total amount of leverage shall not exceed $75,000,000 plus 100 per centum of the amount of private capital over $30,000,000 but not to exceed an additional $15,000,000.

''(3) Subject to the foregoing dollar and percentage limits, a company licensed under section 301(c) of this Act may issue and have outstanding both guaranteed debentures and participating securities: *Provided,* That the total amount of participating securities outstanding shall not exceed 200 per centum of private capital.

''(4) In no event shall the aggregate amount of outstanding leverage of any such company or companies which are commonly controlled as determined by the Administration exceed $90,000,000 (or such higher amount as is determined by the Administration as an inflationary adjustment pursuant to section 2(b) of the Equity Enhancement Act of 1992) unless the Administration determines on a case by case basis to permit a higher amount for companies under common control and imposes such additional terms and conditions as it determines appropriate to minimize the risk of loss to the Administration in the event of default.'';

(3) by inserting before the period at the end of subsection (c)(6) the following: '', except as provided in paragraph (7)''; and

(4) by adding the following at the end of subsection (c):

''(7) The Administration may guarantee debentures or may guarantee the payment of the redemption price and prioritized payments on participating securities under subsection (g) from a company operating under section 301(d) of this Act in amounts above $35,000,000 but not to exceed the maximum amounts specified in section 303(b) subject to the following:

''(A) The interest rate on debentures and the rate of prioritized payments on participating securities shall be that specified in subsection 303(g)(2) without any reductions.

''(B) Any outstanding assistance under paragraphs (1) to (6) of this subsection shall be subtracted from such company's eligibility under section 303(b)(2)(A).''.

(b) INFLATION ADJUSTMENT.—Not later than December 15, 1993, and in each subsequent calendar year, the Small Business Administration shall apply an inflationary adjustment to each of the dollar amounts specified in section 303(b) of the Small Business Investment Act of 1958. The adjustment for any calendar year shall be the percentage (if any) by which the Consumer Price Index for the preceding calendar year exceeds the Consumer Price Index for calendar year 1992. For purposes of this adjustment, the term ''Consumer Price Index'' means the Consumer Price Index for all-urban consumers published by the Department of Labor, and for any calendar year it shall be the average of the index as of the close of the 12-month period ending on August 31 of such calendar year.

SEC. 3. PARTICIPATING SECURITIES.

Section 303 of the Small Business Investment Act of 1958 (15 U.S.C. 683) is further amended by adding the following new subsections:

''(g) In order to encourage small business investment companies to provide equity capital to small businesses, the Administration is authorized to guarantee the payment of the redemption price and prioritized payments on participating securities issued by such companies which are licensed pursuant to section 301(c) of this Act, and a trust or a pool acting on behalf of the Administration is authorized to purchase such securities. Such guarantees and purchases shall be made on such terms and conditions as the Administration shall establish by regulation. For purposes of this section, (A) the term 'participating securities' includes preferred stock, a preferred limited partnership interest or a similar instrument, including debentures under the terms of which interest is payable only to the extent of earnings and (B) the term 'prioritized payments' includes dividends on stock, interest on qualifying debentures, or priority returns on preferred limited partnership interests which are paid only to the extent of earnings. Participating securities guaranteed under this subsection shall be subject to the following restrictions and limitations, in addition to such other restrictions and limitations as the Administration may determine:

''(1) Participating securities shall be redeemed not later than 15 years after their date of issuance for an amount equal to 100 per centum of the original issue price plus the amount of any accrued prioritized payment: *Provided,* That if, at the time the securities are redeemed, whether as scheduled or in advance, the issuing company (A) has not paid all accrued prioritized payments in full as provided in paragraph (2) below and (B) has not sold or otherwise disposed of all investments subject to profit distributions pursuant to paragraph (11), the company's obligation to pay accrued and unpaid prioritized payments shall continue and payment shall be made from the realized gain, if any, on the disposition of such investments, but if on disposition there is no realized gain, the obligation shall be extinguished: *Provided further,* That in the interim, the company shall not make any in-kind distributions of such investments unless it pays to the Administration such sums, up to the amount of the unrealized appreciation on such investments, as may be necessary to pay in full the accrued prioritized payments.

''(2) Prioritized payments on participating securities shall be preferred and cumulative and payable out of the retained earnings available for distribution, as defined by the Administration, of the issuing company at a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities on such securities, adjusted to the nearest one-eighth of 1 per centum, plus, at the time the guarantee is issued, such additional charge, if any, toward covering other costs of the program as the Administration may determine to be consistent with its purposes, but not to exceed 2 per centum.

''(3) In the event of liquidation of the company, participating securities shall be senior in priority for all purposes to all other equity interests in the issuing company, whenever created.

''(4) Any company issuing a participating security under this subsection shall commit to invest or shall invest and maintain an amount equal to the outstanding face value of such security solely in equity capital. As used in this subsection, 'equity capital' means common or preferred stock or a similar instrument, including subordinated debt with equity features which is not amortized and which provides for interest payments contingent upon and limited to the extent of earnings.

''(5) The only debt which any company issuing a participating security under this subsection may have outstanding shall be temporary debt in amounts limited to not more than 50 per centum of private capital.

''(6) The Administration may permit the proceeds of a participating security to be used to pay the principal amount due on outstanding debentures guaranteed by the Administration, if (A) the company has outstanding equity capital invested in an amount equal to the amount of the debentures being refinanced and (B) the Administration receives profit participation on such terms and conditions as it may determine, but not to exceed the per centums specified in paragraph (11).

''(7) For purposes of computing profit participation under paragraph (11), except as otherwise determined by the Administration, the management expenses of any company which issues participating securities shall not be greater than 2.5 per centum per annum of the combined capital of the company, plus $125,000 if the company's combined capital is less than $20,000,000. For purposes of this paragraph, (A) the term 'combined capital' means the aggregate amount of private capital and outstanding leverage and (B) the term 'management expenses' includes salaries, office expenses, travel, business development, office and equipment rental, bookkeeping and the development, investigation and monitoring of investments, but does not include the cost of services provided by specialized outside consultants, outside lawyers and outside auditors, who perform services not generally expected of a venture capital company nor does such term include the cost of services provided by any affiliate of the company which are not part of the normal process of making and monitoring venture capital investments.

''(8) Notwithstanding paragraph (9), if a company is operating as a limited partnership or as a subchapter s corporation or an equivalent pass-through entity for tax purposes and if there are no accumulated and unpaid prioritized payments, the company may make annual distributions to the partners or shareholders in amounts not greater than each partner's or shareholder's maximum tax liability. For purposes of this paragraph, the term 'maximum tax liability' means the amount of income allocated to each partner or shareholder (including an allocation to the Administration as if it were a taxpayer) for Federal income tax purposes in the income tax return filed or to be filed by the company with respect to the fiscal year of the company immediately preceding such distribution, multiplied by the highest combined marginal Federal and State income tax rates for corporations or individuals, whichever is higher, on each type of income included in such return. For purposes of this paragraph, the term 'State income tax' means the income tax of the State where the company's principal place of business is located.

''(9) After making any distributions as provided in paragraph (8), a company with participating securities outstanding may distribute the balance of income to its investors, specifically including the Administration, in the per centums specified in paragraph (11), if there are no accumulated and unpaid prioritized payments and if all amounts due the Administration pursuant to paragraph (11) have been paid in full, subject to the following conditions:

''(A) As of the date of the proposed distribution, if the amount of leverage outstanding is more than 200 per centum of the amount of private capital, any amounts distributed shall be made to private investors and to the Administration in the ratio of leverage to private capital.

''(B) As of the date of the proposed distribution, if the amount of leverage outstanding is more than 100 per centum but not more than 200 per centum of the amount of private capital, 50 per centum of any amounts distributed shall be made to the Administration and 50 per centum shall be made to the private investors.

''(C) If the amount of leverage outstanding is 100 per centum, or less, of the amount of private capital, the ratio shall be that for distribution of profits as provided in paragraph (11).

''(D) Any amounts received by the Administration under subparagraph (A) or (B) shall be applied first as profit participation as provided in paragraph (11) and any remainder shall be applied as a prepayment of the principal amount of the participating securities or debentures.

''(10) After making any distributions pursuant to paragraph (8), a company with participating securities outstanding may return capital to its investors, specifically including the Administration, if there are no accumulated and unpaid prioritized payments and if all amounts due the Administration pursuant to paragraph (11) have been paid in full. Any distributions under this paragraph shall be made to private investors and to the Administration in the ratio of private capital to leverage as of the date of the proposed distribution: *Provided,* That if the amount of leverage outstanding is less than 50 per centum of the amount of private capital or $10,000,000, whichever is less, no distribution shall be required to be made to the Administration unless the Administration determines, on a case by case basis, to require distributions to the Administration to reduce the amount of outstanding leverage to an amount less than $10,000,000.

''(11)(A) A company which issues participating securities shall agree to allocate to the Administration a share of its profits determined by the relationship of its private capital to the amount of participating securities guaranteed by the Administration in accordance with the following:

''(i) If the total amount of participating securities is 100 per centum of private capital, or less, the company shall allocate to the Administration a per centum share computed as follows: the amount of participating securities divided by private capital times 9 per centum.

''(ii) If the total amount of participating securities is more than 100 per centum but not greater than 200 per centum of private capital, the company shall allocate to the Administration a per centum share computed as follows:

''(I) 9 per centum, plus

''(II) 3 per centum of the amount of participating securities minus private capital divided by private capital.

''(B) Notwithstanding any other provision of this paragraph—

''(i) in no event shall the total per centum required by this paragraph exceed 12 per centum, unless required pursuant to the provisions of (ii) below,

''(ii) if, on the date the participating securities are marketed, the interest rate on Treasury bonds with a maturity of 10 years is a rate other than 8 per centum, the Administration shall adjust the rate specified in paragraph (A) above, either higher or lower, by the same per centum by which the Treasury bond rate is higher or lower than 8 per centum, and

''(iii) this paragraph shall not be construed to create any ownership interest of the Administration in the company.

''(12) A company may elect to make an in-kind distribution of securities only if such securities are publicly traded and marketable. The company shall deposit the Administration's share of such securities for disposition with a trustee designated by the Administration or, at its option and with the agreement of the company, the Administration may direct the company to retain the Administration's share. If the company retains the Administration's share, it shall sell the Administration's share and promptly remit the proceeds to the Administration. As used in this paragraph, the term 'trustee' means a person who is knowledgeable about and proficient in the marketing of thinly traded securities.

''(h) The computation of amounts due the Administration under participating securities shall be subject to the following terms and conditions:

''(1) The formula in subsection (g)(11) shall be computed annually and the Administration shall receive distributions of its profit participation at the same time as other investors in the company.

''(2) The formula shall not be modified due to an increase in the private capital unless the increase is provided for in a proposed business plan submitted to and approved by the Administration.

''(3) After distributions have been made, the Administration's share of such distributions shall not be recomputed or reduced.

''(4) If the company prepays or repays the participating securities, the Administration shall receive the requisite participation upon the distribution of profits due to any investments held by the company on the date of the repayment or prepayment.

''(5) If a company is licensed on or before March 31, 1993, it may elect to exclude from profit participation all investments held on that date and in such case the Administration shall determine the amount of the future expenses attributable to such prior investment: *Provided,* That if the company issues participating securities to refinance debentures as authorized in subsection (g)(6), it may not elect to exclude profits on existing investments under this paragraph.''.

SEC. 4. POOLING.

Section 321 of the Small Business Investment Act of 1958 (15 U.S.C. 687l) is amended to read as follows:

''SEC. 321. ISSUANCE AND GUARANTEE OF TRUST CERTIFICATES.

''(a) The Administration is authorized to issue trust certificates representing ownership of all or a fractional part of debentures issued by small business investment companies, including companies operating under the authority of section 301(d), and guaranteed by the Administration under this Act, or participating securities which are issued by such companies and purchased and guaranteed pursuant to section 303(g): *Provided,* That such trust certificates shall be based on and backed by a trust or pool approved by the Administration and composed solely of guaranteed debentures or guaranteed participating securities.

''(b) The Administration is authorized, upon such terms and conditions as are deemed appropriate, to guarantee the timely payment of the principal of and interest on trust certificates issued by the Administration or its agent for purposes of this section. Such guarantee shall be limited to the extent of principal and interest on the guaranteed debentures or the redemption price of and priority payments on the participating securities, which compose the trust or pool. In the event that a debenture in such trust or pool is prepaid, or participating securities are redeemed, either voluntarily or involuntarily, or in the event of default of a debenture or voluntary or involuntary redemption of a participating security, the guarantee of timely payment of principal and interest on the trust certificates shall be reduced in proportion to the amount of principal and interest such prepaid debenture or redeemed participating security and priority payments represent in the trust or pool. Interest on prepaid or defaulted debentures, or priority payments on participating securities, shall accrue and be guaranteed by the Administration only through the date of payment on the guarantee. During the term of the trust certificate, it may be called for redemption due to prepayment or default of all debentures or redemption, whether voluntary or involuntary, of all participating securities residing in the pool.

''(c) The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee of such trust certificates issued by the Administration or its agent pursuant to this section.

''(d) The Administration shall not collect a fee for any guarantee under this section: *Provided,* That nothing herein shall preclude any agent of the Administration from collecting a fee approved by the Administration for the functions described in subsection (f)(2) of this section.

''(e)(1) In the event the Administration pays a claim under a guarantee issued under this section, it shall be subrogated fully to the rights satisfied by such payment.

''(2) No State or local law, and no Federal law, shall preclude or limit the exercise by the Administration of its ownership rights in the debentures or participating securities residing in a trust or pool against which trust certificates are issued.

''(f)(1) The Administration shall provide for a central registration of all trust certificates sold pursuant to this section. Such central registration shall include with respect to each sale—

''(A) identification of each small business investment company;

''(B) the interest rate or prioritized payment rate paid by the small business investment company;

''(C) commissions, fees, or discounts paid to brokers and dealers in trust certificates;

''(D) identification of each purchaser of the trust certificate;

''(E) the price paid by the purchaser for the trust certificate;

''(F) the interest rate on the trust certificate;

''(G) the fee of any agent for carrying out the functions described in paragraph (2); and

''(H) such other information as the Administration deems appropriate.

''(2) The Administrator shall contract with an agent or agents to carry out on behalf of the Administration the pooling and the central registration functions of this section including, notwithstanding any other provision of law, maintenance on behalf of and under the direction of the Administration, such commercial bank accounts as may be necessary to facilitate trusts or pools backed by debentures or participating securities guaranteed under this Act, and the issuance of trust certificates to facilitate such poolings. Such agent or agents shall provide a fidelity bond or insurance in such amounts as the Administration determines to be necessary to fully protect the interests of the Government.

''(3) Prior to any sale, the Administrator shall require the seller to disclose to a purchaser of a trust certificate issued pursuant to this section, information on the terms, conditions, and yield of such instrument.

''(4) The Administrator is authorized to regulate brokers and dealers in trust certificates sold pursuant to this section.''.

SEC. 5. AUTHORIZATIONS.

Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended—

(1) by striking in subsection (g)(3) ''stock and $221,000,000 in guarantees of debentures'' and inserting in lieu thereof the following: ''securities, $221,000,000 in guarantees of debentures, of which $40,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act, and $100,000,000 in guarantees of participating securities'';

(2) by striking in subsection (i)(3) ''stock and $232,000,000 in guarantees of debentures'' and inserting in lieu thereof the following: ''securities, $232,000,000 in guarantees of debentures, of which $42,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act, and $250,000,000 in guarantees of participating securities''; and

(3) by adding the following new subsections at the end thereof:

''(k) The following program levels are authorized for fiscal year 1995:

''(1) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $23,000,000 in purchases of preferred securities, $244,000,000 in guarantees of debentures, of which $44,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act, and $400,000,000 in guarantees of participating securities.

''(l) There are authorized to be appropriated to the Administration for fiscal year 1995 such sums as may be necessary to carry out subsection (k), including salaries and expenses of the Administration.

''(m) The following program levels are authorized for fiscal year 1996:

''(1) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $24,000,000 in purchases of preferred securities, $256,000,000 in guarantees of debentures, of which $46,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act, and $550,000,000 in guarantees of participating securities.

''(n) There are authorized to be appropriated to the Administration for fiscal year 1996 such sums as may be necessary to carry out subsection (m), including salaries and expenses of the Administration.

''(o) The following program levels are authorized for fiscal year 1997:

''(1) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $25,000,000 in purchases of preferred securities, $268,000,000 in guarantees of debentures, of which $48,000,000 is authorized in guarantees of debentures from companies operating pursuant to section 301(d) of such Act, and $700,000,000 in guarantees of participating securities.

''(p) There are authorized to be appropriated to the Administration for fiscal year 1997 such sums as may be necessary to carry out subsection (o), including salaries and expenses of the Administration.''.

SEC. 6. SAFETY AND SOUNDNESS.

(a) FINANCIAL VIABILITY DETERMINED.—Section 302 of the Small Business Investment Act of 1958 (15 U.S.C. 682) is amended by adding the following at the end of subsection (a): ''The Administration shall also determine the ability of the company, both prior to licensing and prior to approving any request for financing, to make periodic payments on any debt of the company which is interest bearing and shall take into consideration the income which the company anticipates on its contemplated investments, the experience of the company's owners and managers, the history of the company as an entity, if any, and the company's financial resources.''.

(b) VALUATION GUIDELINES AND RESPONSIBILITY.—Section 310 of the Small Business Investment Act of 1958 (15 U.S.C. 687b) is amended by adding at the end thereof the following new subsection:

''(d) Each small business investment company shall adopt written guidelines for determination of the value of investments made by such company. The board of directors of corporations and the general partners of partnerships shall have the sole responsibility for making a good faith determination of the fair market value of the investments made by such company. Determinations shall be made and reported to the Administration not less than semiannually or at more frequent intervals as the Administration determines appropriate: *Provided,* That any company which does not have outstanding financial assistance under the provisions of this title shall be required to make such determinations and reports to the Administration annually, unless the Administration, in its discretion, determines otherwise.''.

SEC. 7. EXAMINATIONS.

(a) EXAMINATION BY INVESTMENT DIVISION.—Section 310 of the Small Business Investment Act of 1958 (15 U.S.C. 687b) is amended by striking from subsection (b) ''Administration by examiners selected or approved by'' and by inserting in lieu thereof the following: ''Investment Division of''; and

(b) TRANSFER OF RESOURCES.—Effective October 1, 1992, the personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, and other funds employed, held, used, arising from, available or to be made available, which are related to the examination function provided by section 310 of the Small Business Investment Act of 1958 shall be transferred by the Inspector General of the Small Business Administration to the Investment Division of the Small Business Administration.

SEC. 8. NON-FINANCED SBICS.

(a) INVESTMENT LIMITATION.—Section 306(a) of the Small Business Investment Act of 1958 (15 U.S.C. 686(a)) is amended to read as follows:

''(a) If any small business investment company has obtained financing from the Administration and such financing remains outstanding, the aggregate amount of obligations and securities acquired and for which commitments may be issued by such company under the provisions of this title for any single enterprise shall not exceed 20 per centum of the private capital of such company, without the approval of the Administration.''

(b) CONFORMING AMENDMENT.—Section 310 of the Small Business Investment Act of 1958 (15 U.S.C. 687b) is amended by inserting before the semicolon at the end of subsection (c)(5) the following: '', if such restriction is applicable''.

(c) TEMPORARY INVESTMENT OF FUNDS.—Section 308(b) of the Small Business Investment Act of 1958 (15 U.S.C. 687(b)) is amended by inserting after ''Such companies'' in the third sentence the following: ''with outstanding financings''.

(d) REGULATORY REVIEW.—Not later than 90 days after the effective date of this Act, the Small Business Administration shall complete a review of those regulations intended to provide for the safety and soundness of those small business investment companies which obtain financing from the Administration under the provisions of the Small Business Investment Act of 1958. The Administration is directed to exempt from such regulations, or to separately regulate, those companies which do not obtain financing from the Administration.

(e) REPORT TO CONGRESS.—The Administration, within 180 days after the effective date of this Act, shall report on actions taken pursuant to section 8(d) of this Act to the Committees on Small Business of the Senate and the House of Representatives, including the rationale for its actions.

SEC. 9. MINIMUM CAPITAL.

Section 302 of the Small Business Investment Act of 1958 (15 U.S.C. 682) is amended by striking from subsection (a) ''1979 pursuant to sections 301(c) and (d) of this Act shall be not less than $500,000'' and inserting in lieu thereof the following: ''1992 pursuant to section 301(c) of this title shall be not less than $2,500,000 and pursuant to section 301(d) of this title shall be not less than $1,500,000''.

SEC. 10. DEFINITIONS.

Section 103 of the Small Business Investment Act of 1958 (15 U.S.C. 662) is amended as follows:

(1) by striking ''and'' at the end of paragraph (7);

(2) by striking the period at the end of paragraph (8) and inserting in lieu thereof a semicolon; and

(3) by adding at the end the following new paragraphs:

''(9) notwithstanding any other provision of law, the term 'private capital' means the private paid-in capital and paid-in surplus of a corporate licensee, or the private partnership capital of an unincorporated licensee, inclusive of any funds invested in the licensee by a public or private pension fund, and unfunded commitments from institutional investors that meet criteria established by the Administration, but exclusive of any funds (A) borrowed by the licensee from any source or (B) obtained or derived, directly or indirectly, from any Federal source, including the Administration: *Provided,* That no unfunded commitment from an institutional investor may be used for the purpose of meeting the minimum amount of private capital required by this Act or as the basis for the Administration to issue obligations to provide financing; and

''(10) the term 'leverage' includes debentures purchased or guaranteed by the Administration, participating securities purchased or guaranteed by the Administration, or preferred securities issued by companies licensed under section 301(d) of this Act and which have been purchased by the Administration.''.

SEC. 11. INTEREST RATE CEILING.

Section 305 of the Small Business Investment Act of 1958 (15 U.S.C. 685) is amended by striking the period at the end of subsection (c) and by inserting in lieu thereof the following: '': *Provided,* That the Administration also shall permit those companies which have issued debentures pursuant to this Act to charge a maximum rate of interest based upon the coupon rate of interest on the outstanding debentures, determined on an annual basis, plus such other expenses of the company as may be approved by the Administration.''.

SEC. 12. PREFERRED PARTNERSHIP INTERESTS.

Section 303(c) of the Small Business Investment Act of 1958 (15 U.S.C. 683(c)) is amended—

(1) by striking from the first sentence the word ''preferred'';

(2) by inserting after the second sentence the following: ''As used in this subsection, the term 'securities' means shares of nonvoting stock or other corporate securities or limited partnership interests which have similar characteristics.''; and

(3) by striking from paragraph (1) ''shares of nonvoting stock (or other corporate securities having similar characteristics)'' and inserting in lieu thereof ''such securities''.

SEC. 13. INDIRECT FUNDS FROM STATE OR LOCAL GOVERNMENTS.

Section 303(e) of the Small Business Investment Act of 1958 (15 U.S.C. 683(e)) is amended—

(1) by inserting after the word ''company'' the following: ''licensed under section 301(d) and notwithstanding section 103(9)''; and

(2) by striking ''prior'' and all that follows through the period at the end and inserting ''to November 21, 1989: *Provided,* That such companies may include in private capital for any purpose funds indirectly obtained from State or local governments. As used in this subsection, the term 'capital indirectly obtained' includes income generated by a State financing authority or similar State institution or agency or from the investment of State or local money or amounts originally provided to nonprofit institutions or corporations which such institutions or corporations, in their discretion, determine to invest in a company licensed under section 301(d).''.

SEC. 14. SBIC APPROVALS.

Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by adding the following at the end of subsection (a)(2): ''Subject to approval in appropriations Acts, amounts authorized for preferred securities, debentures or participating securities under title III of the Small Business Investment Act of 1958 may be obligated in one fiscal year and disbursed or guaranteed in the following fiscal year.''.

SEC. 15. IMPLEMENTATION.

Notwithstanding any law, rule, regulation or administrative moratorium, except as otherwise expressly provided in this Act, the Small Business Administration shall—

(1) within 90 days after the date of enactment of this Act, publish in the Federal Register proposed rules and regulations implementing this Act and the amendments made by this Act; and

(2) within 180 days after the date of enactment of this Act, publish in the Federal Register final rules and regulations implementing this Act, and enter such contracts as are necessary to implement this Act and the amendments made by this Act.

SEC. 16. BUY AMERICA.

Section 102 of the Small Business Investment Act of 1958 (15 U.S.C. 1661) is amended by adding at the end the following: ''It is the intention of the Congress that in the award of financial assistance under this Act, when practicable, priority be accorded to small business concerns which lease or purchase equipment and supplies which are produced in the United States and that small business concerns receiving such assistance be encouraged to continue to lease or purchase such equipment and supplies.''.

The bill, as amended, was ordered to be engrossed and read a third time, was read a third time by title.

The question being put, viva voce,

Will the House pass said bill?

The SPEAKER pro tempore, Mr. MAZZOLI, announced that the yeas had it.

Mr. BILBRAY objected to the vote on the ground that a quorum was not present and not voting.

A quorum not being present,

The roll was called under clause 4, rule XV, and the call was taken by electronic device.

When there appeared { Yeas ..... 356 / Nays 2

¶94.15 [Roll No. 358]

YEAS—356

Abercrombie	Emerson	Kostmayer
Allard	Engel	Kyl
Allen	English	LaFalce
Anderson	Erdreich	Lagomarsino
Andrews (ME)	Espy	Lantos
Andrews (NJ)	Evans	LaRocco
Andrews (TX)	Ewing	Laughlin
Annunzio	Fascell	Leach
Anthony	Fawell	Lehman (CA)
Applegate	Fazio	Lent
Archer	Feighan	Levin (MI)
Armey	Flake	Lewis (CA)
Aspin	Foglietta	Lewis (FL)
AuCoin	Ford (MI)	Lewis (GA)
Baker	Frank (MA)	Lightfoot
Ballenger	Franks (CT)	Lipinski
Barnard	Frost	Livingston
Barrett	Gallegly	Long
Barton	Gallo	Lowey (NY)
Bateman	Gejdenson	Luken
Beilenson	Gekas	Machtley
Bennett	Gephardt	Manton
Bentley	Gibbons	Markey
Bereuter	Gilchrest	Marlenee
Bevill	Gillmor	Martin
Bilbray	Gilman	Martinez
Bilirakis	Gingrich	Matsui
Blackwell	Glickman	Mazzoli
Bliley	Gonzalez	McCandless
Boehlert	Goodling	McCollum
Boehner	Gordon	McCurdy
Bonior	Goss	McDade
Borski	Gradison	McDermott
Boucher	Grandy	McEwen
Brewster	Green	McHugh
Brooks	Gunderson	McMillan (NC)
Browder	Hall (OH)	McMillen (MD)
Brown	Hall (TX)	McNulty
Bryant	Hamilton	Meyers
Bunning	Hammerschmidt	Mfume
Burton	Hancock	Miller (CA)
Bustamante	Hansen	Miller (OH)
Callahan	Harris	Miller (WA)
Camp	Hastert	Mineta
Campbell (CA)	Hayes (IL)	Mink
Cardin	Hayes (LA)	Moakley
Carper	Hefner	Molinari
Carr	Henry	Mollohan
Chandler	Herger	Montgomery
Clay	Hertel	Moody
Clinger	Hoagland	Moorhead
Coble	Hobson	Moran
Coleman (MO)	Hochbrueckner	Morella
Coleman (TX)	Holloway	Murphy
Collins (IL)	Hopkins	Natcher
Combest	Horn	Neal (MA)
Condit	Horton	Neal (NC)
Cooper	Houghton	Nichols
Costello	Hoyer	Nowak
Cox (CA)	Hubbard	Nussle
Cox (IL)	Hughes	Oberstar
Coyne	Hunter	Obey
Cramer	Hutto	Olver
Cunningham	Inhofe	Ortiz
Dannemeyer	Ireland	Orton
Darden	Jacobs	Owens (NY)
Davis	James	Oxley
de la Garza	Jefferson	Packard
DeFazio	Johnson (CT)	Pallone
DeLauro	Johnson (SD)	Panetta
DeLay	Johnson (TX)	Parker
Dellums	Johnston	Pastor
Derrick	Jones (GA)	Patterson
Dicks	Jones (NC)	Paxon
Dingell	Jontz	Payne (NJ)
Dixon	Kanjorski	Payne (VA)
Doolittle	Kaptur	Pease
Dorgan (ND)	Kasich	Perkins
Dornan (CA)	Kennedy	Peterson (MN)
Downey	Kennelly	Petri
Dreier	Kildee	Pickett
Duncan	Kleczka	Pickle
Durbin	Klug	Porter
Edwards (CA)	Kolbe	Poshard
Edwards (TX)	Kopetski	Price
Pursell	Schaefer	Taylor (MS)
Quillen	Schiff	Thomas (WY)
Rahall	Schumer	Thornton
Ramstad	Sensenbrenner	Torres
Rangel	Serrano	Torricelli
Ravenel	Sharp	Traficant
Ray	Shaw	Unsoeld
Reed	Shays	Upton
Regula	Shuster	Valentine
Rhodes	Sikorski	Vander Jagt
Richardson	Sisisky	Vento
Ridge	Skaggs	Visclosky
Riggs	Skeen	Vucanovich
Rinaldo	Skelton	Walker
Ritter	Slattery	Walsh
Roberts	Slaughter	Waters
Roe	Smith (NJ)	Waxman
Roemer	Smith (OR)	Weber
Rogers	Smith (TX)	Weiss
Rohrabacher	Snowe	Weldon
Ros-Lehtinen	Solomon	Wheat
Rose	Spence	Williams
Rostenkowski	Spratt	Wilson
Roth	Staggers	Wise
Rowland	Stallings	Wolf
Roybal	Stark	Wolpe
Russo	Stearns	Wyden
Sabo	Stenholm	Wylie
Sangmeister	Studds	Yates
Santorum	Stump	Young (AK)
Sarpalius	Swift	Young (FL)
Savage	Tallon	Zeliff
Sawyer	Tanner	Zimmer
Saxton	Tauzin	

NAYS—2

Crane	Penny

NOT VOTING—76

Ackerman	Gaydos	Owens (UT)
Alexander	Geren	Pelosi
Atkins	Guarini	Peterson (FL)
Bacchus	Hatcher	Roukema
Berman	Hefley	Sanders
Boxer	Huckaby	Scheuer
Broomfield	Hyde	Schroeder
Bruce	Jenkins	Schulze
Byron	Kolter	Smith (FL)
Campbell (CO)	Lancaster	Smith (IA)
Chapman	Lehman (FL)	Solarz
Clement	Levine (CA)	Stokes
Collins (MI)	Lloyd	Sundquist
Conyers	Lowery (CA)	Swett
Coughlin	Mavroules	Synar
Dickinson	McCloskey	Taylor (NC)
Donnelly	McCrery	Thomas (CA)
Dooley	McGrath	Thomas (GA)
Dwyer	Michel	Towns
Dymally	Morrison	Traxler
Early	Mrazek	Volkmer
Eckart	Murtha	Washington
Edwards (OK)	Myers	Whitten
Fields	Nagle	Yatron
Fish	Oakar	
Ford (TN)	Olin	

So the bill was passed.

A motion to reconsider the vote whereby said bill was passed was, by unanimous consent, laid on the table.

Ordered, That the Clerk request the concurrence of the Senate in said bill.

¶94.16 SUBPOENA

The SPEAKER pro tempore, Mr. ANDREWS of Texas, laid before the House a communication, which was read as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, July 31, 1992.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the provisions of House Rule L, this is to inform you that certain employees in my Congressional office have received subpoenas issued by the United States District Court for the District of Columbia.

Sincerely yours,

DAN ROSTENKOWSKI.

¶94.17 SUBPOENA

The SPEAKER pro tempore, Mr. ANDREWS of Texas, laid before the House a communication, which was read as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, July 30, 1992.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to inform you that pursuant to Rule L (50) of the Rules of the House certain employees in my office have been served with subpoenas issued by the United States District Court for the District of Columbia.

Very truly yours,

AUSTIN J. MURPHY,
Member of Congress.

¶94.18 SUBPOENA

The SPEAKER pro tempore, Mr. ANDREWS of Texas, laid before the House a communication, which was read as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, July 31, 1992.

Speaker THOMAS S. FOLEY,
House of Representatives, the Capitol, Washington, DC.

DEAR MR. SPEAKER: This is to notify you pursuant to Rule L (50) of the Rules of the House certain members of my staff have been served with subpoenas issued by the United States District Court for the District of Columbia.

Sincerely,

JOE KOLTER,
Member of Congress.

¶94.19 ADJOURNMENT OVER

On motion of Mr. GEPHARDT, by unanimous consent,

Ordered, That when the House adjourns today, it adjourn to meet on Monday, August 3, 1992.

¶94.20 CALENDAR WEDNESDAY BUSINESS DISPENSED WITH

On motion of Mr. GEPHARDT, by unanimous consent,

Ordered, That business in order for consideration on Wednesday, August 5, 1992, under clause 7, rule XXIV, the Calendar Wednesday rule, be dispensed with.

¶94.21 ADJOURNMENT OF THE TWO HOUSES

On motion of Mr. GEPHARDT, by unanimous consent, the following concurrent resolution of the Senate was taken from the Speaker's table (S. Con. Res. 131):

Resolved by the Senate (the House of Representatives concurring), That notwithstanding the provisions of section 132(a) of the Legislation Reorganization Act of 1946 (2 U.S.C. 198), as amended by section 461 of the Legislative Reorganization Act of 1970 (Public Law 91510; 84 Stat. 1193), the Senate and the House of Representatives shall not adjourn for a period in excess of three days, or adjourn sine die, until both Houses of Congress have adopted a concurrent resolution providing either for an adjournment (in excess of three days) to a day certain, or for adjournment sine die.

When said concurrent resolution was considered and agreed to.